

IRAQ

Y 4. IN 8/19: S. HRG. 104-796

Iraq, S. Hrg. 104-796, Hearing, 104...

HEARING

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE

OF THE

UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

IRAQ

THURSDAY, SEPTEMBER 19, 1996

Printed for the use of the Select Committee on Intelligence



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SENATE SELECT COMMITTEE ON INTELLIGENCE

[Established by S. Res. 400, 94th Cong., 2d Sess.]

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CONTENTS

Hearing held in Washington, DC:	Page
Thursday, September 19, 1996	1
Statement of:	
Bryan, Hon. Richard H., a U.S. Senator from the State of Nevada	15
Cohen, Hon. William S., a U.S. Senator from the State of Maine	8
Deutch, John, Director of Central Intelligence	3
DeWine, Hon. Mike, a U.S. Senator from the State of Ohio	20
Inhofe, Hon. James M., a U.S. Senator from the State of Oklahoma	19
Johnston, Hon. J. Bennett, a U.S. Senator from the State of Louisiana	14
Kerrey, Hon. J. Robert, a U.S. Senator from the State of Nebraska	20
Lugar, Hon. Richard G., a U.S. Senator from the State of Indiana	10
Robb, Hon. Charles S., a U.S. Senator from the Commonwealth of Virginia	17
Shelby, Hon. Richard C., a U.S. Senator from the State of Alabama	12
Specter, Hon. Arlen, a U.S. Senator from the Commonwealth of Pennsylvania	1

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THURSDAY, SEPTEMBER 19, 1996

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Select Committee met, pursuant to notice, at 9:13 a.m., in Room SH-216, Hart Senate Office Building, the Honorable Arlen Specter, Chairman of the Committee, presiding.

Present: Senators Specter, Lugar, Shelby, DeWine, Inhofe, Cohen, Brown, Kerrey of Nebraska, Bryan, Johnston and Robb.

Also Present: Charles Battaglia, Staff Director; Chris Straub, Minority Staff Director; Suzanne Spaulding, Chief Counsel; and Kathleen McGhee, Chief Clerk.

Chairman SPECTER. The Intelligence Committee will proceed at this time. Vice Chairman Kerrey is occupied on other matters but expects to join us shortly and has asked that we proceed before he would arrive.

Today, we will hear in open session from the distinguished Director of Central Intelligence, John Deutch, with the focus on Iraq to the extent that Director Deutch can inform us on intelligence policy, to give us intelligence activities and intelligence findings, to give us an idea as to where we are heading in the Gulf. Two days ago, President Clinton convened a meeting with top Executive officials, the Secretary of Defense, the Secretary of State, Director of Central Intelligence, Members from both the House and the Senate, from both political parties. And that obviously, today, is the front burner issue.

At the meeting with the President a discussion was held on matters which are of great concern to the American people. That involves what may be expected from Saddam Hussein, what are the threats to Kuwait to the extent they can be discussed publicly. What are the threats, if any, to Saudi Arabia? What is the situation with respect to the alliance where Kuwait initially did not give an affirmative answer to the deployment of U.S. troops there, and then came back accepting 3,500 instead of the figure of 5,000? And although Saudi Arabia permits our flights to cover the no-fly zone, we are flying planes from Guam half way around the world for missile deployment.

Also, questions in the north, to the extent that they can be discussed publicly, with respect to the Kurds.

These issues, we believe, ought to have an airing so that there can be a public understanding and a more widespread Congressional understanding because the items we are talking about involve considerable costs which have to be dealt with on the appro-

priations process. And that is in mid-stream with the Congress having enacted initially on the appropriations bills and some question as to whether the President will accept the Congressional figures.

We had expected to hear in open session today General Downing on the task force report as to the terrorist attack in Dhahran on June 25. And then late yesterday, we were informed by the Department of Defense that General Downing would not be available for an open session. A little hard to understand when matters were discussed yesterday in both the House and Senate on intelligence issues. There had been a critical question raised by the Secretary of Defense at his July 9 testimony before the Senate Armed Services Committee saying that the terrorist attack was caused by an intelligence failure, General Downing having testified yesterday that there was not an intelligence failure, General Downing having testified further that the Department of Defense must invest more in human intelligence and counterintelligence. And those are critical issues which are a matter for review by the Intelligence Oversight Committees.

We have noted the media reports about the scathing Downing task force report and the editorials attributing laxity to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. We have noted Senator Thurmond's comment about no evidence of response after the November 17 car bombing in Riyadh, and the call by some in the House for a Congressional inquiry on culpability with a question being raised about the adequacy of a three star general to deal with discipline when high ranking officials may or may not be involved. General Downing commented specifically about the brigadier general, that he had been dealt a bad hand and really could not cope with all the problems of security when his mission was a flight mission. And the report does criticize the top echelon of the Department of Defense for not providing the appropriate guidance.

In the context of yesterday's notification by the Defense Department about General Downing's unavailability for a public session, we will proceed at the moment in a private session to determine just how independent General Downing is and what his charter permits him to do on his own or with the direction orders from the Department of Defense.

Now, let me yield at this time to Senator Lugar for an opening statement.

Senator LUGAR. I have no opening statement, Mr. Chairman.

Chairman SPECTER. Senator Shelby.

Senator SHELBY. Mr. Chairman, I have no opening statement.

Chairman SPECTER. Senator Johnston.

Senator JOHNSTON. Mr. Chairman, I just want to welcome the Director here, and that's it.

Chairman SPECTER. Thank you very much. Director Deutch—

Chairman COHEN. I have no opening statement [General laughter.]

Chairman SPECTER. I was afraid Senator Cohen might have an opening statement, which—Senator Cohen.

Senator COHEN. During the course of my questioning, I might make an opening statement, but—

Chairman SPECTER. Senator Cohen had some pithy comments yesterday during the Armed Services hearing. Senator Bryan, would you care to make an opening statement?

Senator BRYAN. I'll waive my opening statement. Always a pleasure to have the Director here with us today.

Chairman SPECTER. Well, thank you for joining us, Director Deutch. And you had asked if it would be appropriate for you at the outset to make a comment about allegations which have been in the media about CIA sale of drugs in the early '80s in connection with Nicaragua, Central America. You may proceed on that or as you see fit.

STATEMENT OF JOHN DEUTCH, DIRECTOR OF CENTRAL INTELLIGENCE

Director DEUTCH. Thank you so much, Mr. Chairman.

It's a pleasure to appear here before the Committee, and I thank you for the opportunity to address publicly the allegations that CIA engaged in drug trafficking in the early 1980s, in conjunction with support to the Contras and their effort to overthrow the Sandinista government in Nicaragua.

Let me say, Mr. Chairman, that I regard these allegations with the utmost seriousness. They go to the heart and the integrity of the CIA enterprise, and it's something that has to be addressed and addressed in a forthright and complete fashion. I know it's something that you want us to do, Members of this Committee want us to do. And I want to say to you and pledge to you that there will be an absolutely independent and thorough inquiry into these allegations.

Our initial review has found no evidence to support the allegations. Nevertheless I think it is essential that we pursue them in all detail, and I intend to do so. I have asked the Inspector General, the independent Inspector General, to undertake an inquiry and report back in 60 days, reviewing all documents, all sources, all information on this matter.

I can assure you and pledge to you, Mr. Chairman—I believe you deserve it, you expect it as a Member of the Oversight Committee, the public expects it—that we will answer this question and resolve what is true and what is fiction about these allegations, and I wanted to let this Committee know that I intend to pursue it with all the energy that I have.

Mr. Chairman, if I may, I would like to make some remarks about Iraq and put for you, just as you asked, in context what I believe from our intelligence sources and analysis what the situation is in Iraq and how we got there.

Let me go back and make a few remarks about internal developments in Iraq since 1990, give you a sense of how that country has changed. Today the per capita income in Iraq is about \$950 per year. In 1989 it was \$2,300 per year. Oil production in 1989 was 3.1 million barrels of oil per day. Today oil production is down to less than 600,000 barrels per day.

Give you a sense of what the social fabric is like in that country. Kurdish, Shi'a and Sunni rivalries continues. The regime continues to be dominated by the Tikriti family of Saddam Hussein, and Sunni areas are better supported, more prosperous and better fed.

Even though there is no embargo on food or medicine, public health has seriously declined since the Gulf War. As a result, infant mortality has risen to 140 deaths out of 1,000 births, compared to 29 deaths out of 1,000 births in 1991. Ten percent of the entire population of Iraq is dependent upon humanitarian assistance. Corruption remains rampant in the government. Saddam Hussein's family profits from covert sales of Iraqi oil and dominance of the black market, where money donated for medicines and food often end up. Baghdad has begun construction on 48 new palaces and today Saddam Hussein and the VIP leadership have the choice of up to 78 different palaces and estates throughout Iraq.

Of course, there is no press freedom and brutal suppression continues. Baghdad continues to immediately stop any nascent political opposition. Saddam Hussein's security apparatus has systematically destroyed all groups that have formed inside the country. People are arrested and killed. He continues to drain the marshes of southeastern Iraq to deny haven for the Shi'a Iraqi families who live there and change the entire circumstances of living.

In sum, the situation inside Iraq has become more brutal, less able for the Iraqi people to survive.

In the meantime, there have been several changes in external factors bearing on Iraq and Saddam Hussein's position. Let me say that in general I believe that Saddam Hussein's position has been strengthened in the region recently. Why?

First, six years of containment and sanctions have failed to dislodge Saddam Hussein from leadership.

Second, Saddam Hussein still has the possibility of threatening his neighbors—Kuwait, Saudi Arabia and Jordan. These countries want to see Saddam Hussein overthrown, but they have other interests as well. They want to assure that there will be stability in the region, they want to assure that Iraq's territorial integrity is maintained and they want to assure that there are better conditions for the Iraqi people.

Third, there is also perception of weakened determination of the coalition to meet Iraqi aggression. Initial sentiment in the region led to no support for United States air strikes for the first time, drowning out criticism of Iraqi aggression. France temporarily stopped enforcing the extended no-fly zone. Russia criticized United States strikes and led a fight to kill a UK, a United Kingdom-sponsored draft resolution condemning Iraqis' military operations against the Kurds.

Fourth, Turkey's apparent willingness to deal more directly with Saddam is driven by a number of new factors. The new Refpa(?) Party is interested in addressing domestic energy concerns and strengthening trade relationships with Iraq. The Turkish general staff remains focused on the problem of eradicating the PKK-led insurgency which is based in Iraq, Iran and Syria.

Finally, Saddam Hussein has cleverly parlayed concerns about relief to UN Resolution 986, which will permit Saddam to export oil for humanitarian goods in hopes to gain a collapse of the sanctions' regime. All of these factors contribute to, today, a strengthened position for Saddam Hussein in the region.

Now, Saddam has several times in the past confronted the coalition on several occasions since the end of the Gulf War, approxi-

mately 10. Six confrontations involved challenges to the United States' inspection of Iraqi weapons of mass destruction.

On one occasion, our response led to a cruise missile attack on nuclear weapons facilities near Baghdad in 1993.

In October of 1994, Iraq moved two Republican Guard divisions to the Kuwaiti border in an effort to threaten Kuwait and pressure the UN into relieving sanctions. Heavy reinforcements by the United States caused Saddam Hussein to back down.

In June of 1993, the United States struck the headquarters of the Iraqi intelligence service in retaliation for an Iraqi assassination attempt on the life of former President Bush in April of that year.

The most recent set of confrontations is the third time that Iraq has challenged the no-fly zone in the north and in the south. In August of 1993, a coalition aircraft struck a surface-to-air missile site in northern Iraq that fired on one of our aircraft. In December of 1992, an Iraqi air force airplane was shot down as it penetrated the southern no-fly zone. The Iraqis followed by moving surface-to-air missile systems into the zone in January of 1993.

How did the current crisis emerge? Iraq's aggression against the Kurds was a catalyst of the most recent crisis. On October 31, the Kurds—the Iraqis with the cooperation—in conjunction with the KDP, the Kurdish Democratic Party, invaded the north and took the Kurdish-held city of Erbil. Let me give you a sense of the extent of this military enterprise. Between 30 and 40 thousand Iraqi troops were engaged. Over 350 tanks were deployed. Three-hundred artillery pieces were deployed in the region for the sweep of the Iraqi motorized and armored divisions into the north.

In the wake of the attack, the Kurdish Democratic Party, led by Massoud Barzani is now in control of most of the Kurdish-held northern Iraq, with only isolated pockets of the opposition Kurdish Party, the PUK. Barzani asked for Iraqi military assistance after the KDP experienced defeats in northern Iraq at the hands of the Patriotic Union for Kurdistan, the PUK. Barzani saw Iranian sponsorship of the PUK as upsetting the delicate balance between the Kurdish factions. And you will recall that in July of this year, the Iranians did intervene in Northern Iraq on behalf of the PUK and attacks.

Let me say that Barzani is playing an enormously dangerous game. First of all, in 1991, Saddam showed no reluctance to massacre Kurds and members of Barzani's family. While no Iraqi military units remain in Kurdish-held territory at the time, it is clear that there are Iraqi intelligence and security personnel in the region. Several hundred Kurds and Turkomans have been executed by the Iraqis, according to Iraqi opposition sources, but we cannot verify precise numbers. And finally, we estimate that there are roughly 40,000 Kurdish refugees, either in Iran or on the Iranian border.

After tactical alliance against the PUK, and after taking of Erbil, Mr. Barzani is now approaching the coalition for protection in an effort to hold Saddam Hussein at arm's length while Saddam Hussein is putting increasing pressure on Barzani to negotiate a framework for autonomy under Baghdad's overall control. Iran has shown no intention of interfering yet. Teheran may be preoccupied

by the refugee situation, certainly backs PUK guerrillas—along the border region—and continues to show an interest of maintaining its influence in the region.

As a result of the United States response, which was to, first of all, strike at SAM air defense units in the South, and to extend the no-fly zone from 32 north, to 33 north, Iraq challenged our activities in the no-fly zone. Iraq responded by reconstituting damaged sites, and deploying additional mobile SAM systems from central Iraq. Iraqi air defense units fired missiles, and air defense artillery fired at our coalition aircraft in both the southern and the northern zone. Today, for the last few days, Iraqi defense units are standing down in the wake of the U.S. military buildup. Iraq ceased to fire—make any fire against coalition aircraft since 13 September. The mobile SAM systems deployed in the no-fly zone are returning to their garrisons in central Iraq.

What are the overall implications of this story that I've outlined to you? First, we should anticipate that Saddam will continue to challenge the coalition. In contrast to the past, he has been clever at taking advantage of an opportunity in northern Iraq created by differences among the Kurds and changed Turkish attitudes.

Second, there will be no stability in the region or improved circumstances for the Iraqi people until Saddam Hussein and his regime is replaced.

Third, for all of these reasons, Iraq will continue to be, and has been, at the top of our intelligence priorities for both our collection and analytic effort.

Thank you very much, Mr. Chairman. I'd be pleased to address any questions that I can.

Chairman SPECTER. Thank you. We will proceed in five-minute rounds.

Thank you very much, Director Deutch, for that opening statement. There are a great many issues of concerns which you have broached: Saddam's intent; what his strength is; what has happened by way of damage from our missile attacks; what our support is among the allies on a variety of courses, the Iranian presence.

But let me begin on an assessment of U.S. vital national interest with the intelligence evaluation of Saddam Hussein's capability to produce weapons of mass destruction. And then I want to move from that to whatever terrorist threat Iraq poses to the United States, internationally or domestically.

Beginning with the issue of weapons of mass destruction, there has been a great deal of comment about chemical, biological components of his weapons of mass destruction. But begin, Director Deutsch, if you would, with an evaluation of where he stands on nuclear capability.

Director DEUTCH. Well, in the case of nuclear capability, what we believe is that Iraq maintains both the motivation and the expertise to revitalize a nuclear program, should it be able to do so. Right now they are prevented from doing so because of the presence of the UNSCOM regime and other efforts to monitor the sanctions on it.

Chairman SPECTER. Are the monitoring procedures effective in curtailing Saddam's development of nuclear weapons?

Director DEUTCH. At the present time, my judgment on that would be yes. I would like to remind you that we do not believe that he has available to him required amounts of fissile material to produce a nuclear device. That was what he was trying to do in 1990, when the—the before the Gulf War. Our present estimate is that he has not got the capability to acquire nuclear capability—a nuclear device.

Chairman SPECTER. And what are Saddam Hussein's ballistic capabilities?

Director DEUTCH. Well, we believe he still has a dozen or so SCUD missiles and associated launchers which he would be able to launch SCUD missiles against his neighbors.

Chairman SPECTER. There have been reports in the past about Saddam Hussein's developing the big cannon; back in 1990 reports about developing ballistic capability with various degrees of thrust force. Any intelligence on that?

Director DEUTCH. I don't have particular details on where he is on his artillery engagements. I can get something for the record on that, sir.

The missile capability that we believe that he has includes some SCUDs, and I think the more modern systems that he was working on are now in abeyance.

Chairman SPECTER. And would you comment on his capabilities as to chemical and biological warfare?

Director DEUTCH. We believe that he retains an undetermined quantity of chemical and biological agents that he would certainly have the ability to deliver against adversaries by aircraft, by artillery or by SCUD missile systems.

Chairman SPECTER. And what is the assessment, if any, as to his intent on that subject?

Director DEUTCH. I don't think that we see any evidence of his intent to use weapons of mass destruction, and he, of course, did not do so during the Gulf War.

Chairman SPECTER. Director Deutch, turn now to the issue of what kind of a terrorist threat, if any, is posed by Iraq and Saddam Hussein.

Director DEUTCH. Well, he is a significant terrorist threat. We know that in April of 1993 he mounted an effort to try to assassinate a former President of the United States, George Bush, in Kuwait. He continues to carry out terrorist activities in Jordan, Kuwait and elsewhere. He has sponsored many, many terrorist attacks on UN and relief personnel in northern Iraq. So he is an active provider of—also an active provider of safe haven for terrorist groups. Here is a person who does use terrorism as an instrument of statecraft, and he does so mostly in the region and with the neighbors who are his adversaries that surround him.

Chairman SPECTER. Before my red light goes on, let me ask you one final question. And that is, what would be the balance of power, based on your intelligence evaluation, if Saddam Hussein were to be toppled, with respect to the balance posed by Iraq against Iran?

Director DEUTCH. I don't think anybody is in a position to know what the character would be of a regime that succeeded Saddam Hussein. Let me just say that it is my own judgment that almost

any regime would certainly lead to an improved circumstance for the Iraqi people and for security in the region.

Chairman SPECTER. Thank you very much, Director Deutch.

The Committee will proceed in accordance with our practice on order of arrival, and we turn now to Senator Cohen.

Senator COHEN. Thank you, Mr. Chairman.

Mr. Director, as an analyst, would you say that you deter Saddam Hussein's aggression by blowing up a few radars and SAM sites in the south of Iraq, or southern Iraq, or by attacking his Republican Guards and armored capability in the north?

Director DEUTCH. I think there are a number of instruments that deter Saddam Hussein, not only attacking his SAM sites, but also very importantly expanding the no-fly zone which effectively reduces his sovereignty, prevents his troops from operating or from training, especially his air elements. All of these things—moving troops to Kuwait—all will contribute to deterring Saddam Hussein.

Senator COHEN. So you think that the action that was taken in the south is going to have a greater impact in terms of curbing his potential aggression in the future than by taking out his military capability on the ground?

Director DEUTCH. I think the action in the south has contributed him to pulling back, caused him to pull back for the moment. As I said clearly in my statement, I expect that he will continue to carry out aggression.

Senator COHEN. What is the likelihood of Saddam Hussein moving aggressively toward Kuwait?

Director DEUTCH. At present we would estimate that to be very low indeed.

Senator COHEN. Okay. To what extent are we jeopardizing Kuwaiti security by putting a more visible presence of U.S. personnel in Kuwait? If the threat is low at this point, what is the threat that would be engendered by putting more American troops in that region?

Director DEUTCH. I mean, my estimate would be that the placing of 3500 additional troops to reach a total of one brigade strength there of 5000 deters any action by Saddam Hussein, it does not entice it.

Senator COHEN. And does not create any problems in terms of potential terrorist attacks within Kuwait, as we saw within Saudi Arabia, by virtue of a larger American presence?

Director DEUTCH. The measures of force protection being appropriate, I think the answer to that, I would say yes, I agree with you, they do not create that risk.

Senator COHEN. I didn't make the statement, I was asking a question. You don't have to agree with me.

Director DEUTCH. In my judgment, deploying those troops does deter Saddam Hussein.

Senator COHEN. And does not pose a threat to Kuwait security from internal—

Director DEUTCH. Does not pose a threat to Kuwaiti security.

Senator COHEN. From an internal source.

Director DEUTCH. Correct.

Senator COHEN. All right.

Could the bombing, in your judgment, that took place in Saudi Arabia have occurred without state sponsorship?

Director DEUTCH. You're now speaking about Al Khobar Towers?

Senator COHEN. Yes.

Director DEUTCH. I do not want to discuss that in open session, sir.

Senator COHEN. All right. We'll discuss it in closed then.

Yesterday, we heard again a request for more and more HUMINT, more human intelligence is necessary.

Director DEUTCH. Yes, sir.

Senator COHEN. When Senator Boren and I were Chair and Co-Chair, Vice Chair of the Committee, we provided a great deal of additional money for HUMINT intelligence capability. But it seems to me that is not necessarily the answer to defending ourselves or protecting ourselves against terrorism. More and more money doesn't necessarily translate like more aircraft or more tanks or more personnel, military personnel, into more capability.

It seems to me at some point we have to look to defeat terrorism by going to its source. I gather you would agree with that, because in number two of your statement and your conclusions, you said there will be no stability in the region until Saddam Hussein is replaced. That does not take more HUMINT. It requires the United States and its allies to take more action, does it not?

Director DEUTCH. It requires political circumstances there which will lead to change, yes it does.

Let me say to you that I still think that you need superb and excellent human intelligence, but I agree with your statement that it requires concerted efforts by the coalition.

Senator COHEN. It takes more than simply—

Director DEUTCH. Yes, sir.

Senator COHEN [continuing]. Knowing where the troubles are. It takes some action on our part.

Director DEUTCH. Absolutely.

Senator COHEN. Yesterday again, we heard that there were certain strands of intelligence that were going into, leading into Saudi Arabia prior to the bombing of the tower. And yet the strands in and of themselves were not collated and were not fused together in a way that sufficiently alerted our forces to the nature of the threat that was coming. Do you—we have a center for counterintelligence at the agency. There seems to be some complaint that perhaps the intelligence coming to the forces on the ground is not sufficient for them to construct a positive reaction. What is your assessment of that?

Director DEUTCH. While I appreciate—

Senator COHEN. Was there an intelligence failure, as such?

Director DEUTCH. I appreciate the opportunity to just address this.

First of all, while I've read the Downing report carefully, and I find that the conclusions that he's made and the findings that he's made on intelligence are very, very helpful indeed and I know that I and Bill Perry are going to take steps to make sure that all of those are implemented, let me also say that I think that, if I put it in my own terms is the Downing report, here's a point on which I would categorically say Bill Perry and I are exactly in the same

place, the Downing report clearly makes the remark which I think is correct, that there was no intelligence failure here. That there was strategic warning, that there was threats in Saudi Arabia, and indeed to Khobar Towers.

What I want to say is that our intelligence was not perfect. There was not tactical intelligence or information about the timing, circumstances of a bomb attack. Our intelligence was not that good. Now, how do you make the strategic intelligence turn into protection, which goes to the heart of your question. And there I think there are some steps that have to be taken to make it better, and the particular model that I would mention to you is the creation of what we call a J-2X in the area, similar to what is currently operating in Bosnia, and operating successfully in Bosnia, where you have the ability to introduce the results of the Counterterrorism Center and human intelligence directly into the military operations in the area. And that is the way that I think we can go improving better the connection between strategic intelligence and getting the operating commanders aware in taking the force protection measures that are indicated. I think that that's responsive. I hope it's responsive to where your question is, Senator. You do have to do more to translate our strategic intelligence to action on the ground.

Senator COHEN. Not entirely. Mr. Chairman, my time is up. Just let me make one quick observation. We have been told as a Committee, both this Committee, Armed Services Committee, I assume Foreign Relations Committee, that terrorism is not only the wave of the future, it's the wave of the present. And yet, yesterday, during a presentation to the Armed Services Committee, Secretary Perry indicated we have to have a radical re-thinking of force protection. Now, I don't understand why it has to be radical re-thinking about force protection when we've been told, and your budgets have been funded, based upon the representations to this Committee, that terrorism is here, now and for the likely and foreseeable future. And only now we're talking about a radical re-thinking, and I don't frankly understand why it's taken us so long to get to the point we have to be radical in our re-thinking, given the nature of the threat. But I'll pursue that later.

Thank you, Mr. Chairman.

Chairman SPECTER. All right, thank you, Senator Cohen.

I, too, will pick up on the next round, in light of the 12,000 pound bomb in Beirut in 1983. That's a very important question which we will come to later in the hearing.

And next in order of arrival was Senator Lugar.

Senator LUGAR. Thank you, Mr. Chairman.

Director Deutch, in the meeting the President had with Congressional leaders, it appeared to me that some temporary fixes of the problem were being made pending heavy negotiation with our allies, the rebuilding of the alliance.

And that's certainly appropriate, but I'm wondering about three things which have been taken for granted generally for awhile, namely that the United States, Europe, Japan would have a dependence upon oil in the Middle East, that this is a growing dependence, due to greater usage around the world, without corresponding changes in our policy with regard to substitution, moving away from oil. In other words, one of the givens is that this is

very important to us, because we're going to be dependent upon the area for a long time.

The second given is that although, as you say, things would be immeasurably better for the Iraqi people, probably for the neighborhood, if Saddam Hussein were displaced, it has not been an objective of our country or of a broader alliance, to replace him.

And the third point is that the territorial integrity of Iraq is important, even though this was an artificially contrived country to begin with. And for some reason, sometimes the argument is made that because of Iran close by, it's necessary to have an Iraq, at least in its current composition, although some are arguing in scholarly circles that it might be a good idea to see Iraq in smaller pieces. That if, in fact, we are concerned about the difficulties of Saddam, quite apart from whoever might follow him, it might be useful to have much less to worry about.

In your judgment, how can the President or anybody begin to put together a comprehensive thought about these situations? First, the oil dependence? Secondly, if we are dependent, how do we change the situation so it is not inordinately expensive to keep making temporary fixes when each of these challenges come? And as you have predicted, they will come frequently, due to the nature of the regime and the fact that we are really unprepared in a total alliance to make a difference. Can you comment about all of the above?

Director DEUTCH. Senator LUGAR, I am not here from the Department of State. I used to be at the Department of Energy. So I'm going to take on the oil question, not the others.

Let me say to you that I think it is quite possible at great cost and some tremendous adjustment that the United States might be able to do with much less imported oil. But the issue about oil dependency in the Middle East is not just a United States question, it is a global question of all of our allies. So while you can imagine us taking these steps on substitution because we are fortunate in the natural resources that we have—although it would be very costly and difficult to do—it would be impossible for—or unimaginable for Japan or Germany or France or many other countries to do it. So we have to look at the oil dependency question on a global basis, not just on an American basis.

And I want to stress that point to you, that the dependency on Middle Eastern oil is a reality that as an alliance we have to live with. We should do everything that we can to conserve energy, everything we can to move to substitutes. But the fact is that there's a political reality of the global dependence on Middle Eastern oil for the foreseeable future.

Senator LUGAR. Precisely on that point, in this current situation, do the Europeans, the Japanese share our urgency with regard to what is occurring? In other words, if we were to say strategically we're prepared to let you folks work it out, we're out of this ball game. We'll deal with Venezuela or Mexico or so forth. In other words, the seriousness with which the rest of the world is approaching this is somewhat suspect, given the precise analysis that you've given. And it is incumbent upon our President and our diplomats to bring that seriousness to the fore, so that there is not so much quibbling by allies about whether we are going it alone or

unilaterally the President is doing this or that. This has occurred, I'm sure, to you and the President. But can you comment again, why aren't we impressing upon people their problem here?

Director DEUTCH. I'm just an intelligence officer, but I agree with you. I mean, there you are. I mean, it's—I do not—I mean, the initial reactions in foreign capitals to this action by Saddam Hussein was a little shocking.

Senator LUGAR. They're incredible—incredible in terms of their national interests.

Director DEUTCH. I accept that. I accept that.

Senator LUGAR. Yes.

Director DEUTCH. Let me turn to your next question briefly. What I said was not a statement about U.S. policy, sir. That's not my business. I made an intelligence judgment that there will not be stability in the region or an improvement in the circumstances of the Iraqi people, which I tried to suggest by giving you a few illustrations is abysmal. Until there's a change in that regime, there will not be improved stability in the region.

Now the third point you mentioned is a very important point, and that is about the territorial integrity and the likelihood and the pros and cons of it. I think that most informed observers from almost all parts of the political spectrum on this—I don't mean domestically, but I mean in the region and elsewhere—believe that the long-term security of the region and stability is best—is best protected if the territorial integrity of Iraq is retained. And I think it would be hard to make an argument that breaking up Iraq, as an academic matter, if made in academic circles, would lead to a greater likelihood of political stability in the region. That's my own analytic judgment on that, sir.

Senator LUGAR. Thank you.

Chairman SPECTER. Thank you very much, Senator Lugar.

General Downing has arrived, and I'm going to excuse myself for a few moments to talk to him in the back room. And I'm going to yield now to our distinguished Vice Chairman, Senator Kerrey.

Vice Chairman KERREY. Thank you very much, Mr. Chairman. I will hold my questioning actually and just go down the list in order of arrival and turn to Senators who were here before I was. Senator Shelby is next on the list.

Senator SHELBY. Thank you.

Director Deutch, I realize you're not here from the State Department, and I think that's something that should have been said, and you said it well. But not only in the Intelligence Community, but all over America and probably the world, people are really concerned about the reports coming out of Iraq. This has been going on a long time. Iraq, with Saddam Hussein as its leader, does something. We react to it. We slap him around. Then we move on. But nothing centrally is done. Now, I know you don't make the policy, but you are involved in the intelligence gathering in a big way.

We see, as you well know, that our coalition, or so-called coalition, is falling apart. This is not the same coalition with the same aims that we had five years ago, it doesn't seem to me. You see Egypt and Syria and even the Saudis with a little bit different attitude than they had. You also see France with a different attitude.

Are we basically unilaterally involved here? It seems that way to me and a lot of people.

Director DEUTCH. Well, Senator, let me first of all say that I don't think we're unilaterally involved there.

Senator SHELBY. Define what you mean.

Director DEUTCH. I don't believe that our closest allies and coalition partners really are prepared to say that we shouldn't proceed in this direction. But let me—let me say, leadership always puts you out there a little bit.

But let me say something about the coalition falling apart. I think we've seen a noticeable change in attitude, both in the regional capitals and in the European capitals as this thing has evolved. It is true that the original reaction in the European and regional capitals quite differentiated—they're all different—but they had a lot more skepticism than I think the American people had or certainly than I would have had about Saddam Hussein's aggression and what should be done about it.

One reason is that the states in the south and others don't see the Kurds as a central problem that we do. We have much more sympathy for the Kurds than others do.

Secondly, there has been a growth in Arab sentiment for Saddam Hussein, and it made difficulties for certain of the Arab governments to respond publicly and forcefully in support of our position.

Senator SHELBY. And that makes it difficult for us, too, doesn't it?

Director DEUTCH. Absolutely, it makes it difficult. But I want to say, a lot of progress has been made. Secretary Perry's trip to the region has had a pronounced effect. You see the Kuwait's willingness to accept 3,500 additional troops to bring up one brigade there. Bahrain has accepted. So there's some evidence of a greater willingness for them to be publicly supportive.

Turkey—Turkey, which is a very important part of this problem, was clearly engaging with Saddam. That's one of the reasons that I referenced early as causing this. Turkey is, because of its changing government, is likely to move toward greater exploration of relationships with the Islamic states in general. But having seen what happened in the north, I think Turkey is now also reconsidering what it means. So, while I agree with you that the original reaction of the coalition, both in the region and Europe, was not as strong and supportive as we would have expected, I think you do see a change there to be more supportive. And nevertheless, we're still out there being the leaders, and that is true.

Senator SHELBY. Well, I understand that, but is it the feeling in the area—Syria, Egypt, Turkey and others—maybe that they believe that Saddam Hussein has got staying power, perhaps he's going to stay around and they're going to have to deal with him? Whether they want to—in other words, the Devil is going to survive?

Director DEUTCH. Senator, we have to see that he has survived for six years.

Senator SHELBY. Absolutely.

Director DEUTCH. And therefore, I think that there is exactly that sense that he is going to be there for a while, and no political opposition in his own country has been permitted to emerge. Our

other efforts have not been successful. So, yes, the answer is I think they do think he's going to survive.

Senator SHELBY. My time is up.

Vice Chairman KERREY. Senator Johnston.

Senator JOHNSTON. Thank you, Mr. Chairman.

Director Deutch, history is replete, as you know, with misjudgments by governments of our intentions or the intentions of other governments, which lead to disaster, wars, et cetera, and particularly that's true in Iraq, where I think that Saddam Hussein saw the statements of our ambassador as maybe a wink and a nod that he could invade Kuwait. And I'm very concerned that we are not being clear as to what our intentions are; that by making vague threats and then not following through we lead to a state of confusion.

Now, my own view is that we have no vital interest with the Kurds; that Saddam Hussein is not likely to have a reliable ally in Brazani, nor are we likely to have an enemy forever in Talabani; that Kurdistan cannot be under the control of anybody, whether it's the Turks or the Iranians or Iraq; and that we need to be more clear in what we are stating about what we're prepared to do. I think we overstated to the Kurds, made them think that we were likely to come to their aid. And then when push came to shove, we didn't. It was sort of like Hungary in 1956.

Now, my question is this. Shouldn't we state with more precision and follow through with more precision, as to what we intend to do in Iraq, which to me ought to be total containment; not state that we're going to remove Saddam when we don't have the tools to do so; not state that we're going to do anything heroic like send in troops to the Kurds. But just make very clear that we're going to protect Kuwait and Saudi Arabia and those things that are our vital interest. My question is, do you agree with that? And shouldn't we really state those goals with more precision?

Director DEUTCH. Senator, I really am not—my position does not permit me to give a reaction to that point. I am not in the policy-making business. You have to ask that question to Secretary Christopher.

Senator JOHNSTON. Well, let me state it in another way. Hasn't—what I see is somewhat imprecision in what we've stated, hasn't it led to some untoward results? I mean, haven't the Kurds, Talabani particularly, hasn't he been disappointed? I mean, you've got both sides there that are mad at us now, both the KPC and the PUK, and they're both mad at us.

Director DEUTCH. Well, I don't think that that's correct. I don't think the KDP is mad at us. We weren't the ones who called up Saddam Hussein and asked for help in occupying Erbil. It was Mr. Barzani. In fact, Mr. Barzani is urgently asking for our assistance to make sure that he doesn't become too dependent on Saddam Hussein.

So—but the broader policy questions that you raised, they're legitimate questions to raise. I'm just the wrong person to spit out an answer to you, which I—I mean, I have it, but—

Senator JOHNSTON. Well, tell me about the Kurds. Is anybody likely to control the Kurds and have them as a reliable ally whether it's Iraq or us, or anybody?

Director DEUTCH. Right now, they're divided among themselves in several different groups. So they're not in the position of being a reliable ally in the sense that you mean. The issue really is, are they an important part of containment of Saddam Hussein. I would argue that just in your terms, that if you want to take a policy of containing Saddam Hussein and making sure that he does not invade or threaten Kuwait or Saudi Arabia, where our vital interests do lie—we certainly agree on that—that involving the Kurds and our engaging the Kurds, other coalition members engaging the Kurds, is an important part of achieving that result.

Senator JOHNSTON. All right. But engaging the Kurds and having a policy that says we're going to make alliances with one of the Kurds with a view to overthrowing Saddam Hussein is two different things. And I think the latter is what we've tried to do, and it has led to disappointment in the Kurds and it's a vastly unsuccessful policy. Am I not correct on that?

Director DEUTCH. I don't want to reply to—I mean I'm not—I should not be commenting on policy matters other than those which involve intelligence or energy. But okay.

Senator JOHNSTON. I see my time is about up.

Director DEUTCH. I'm sorry, sir.

Senator JOHNSTON. But you can relay my concerns, for whatever weight they have, to those who make the policy.

Director DEUTCH. Yes, sir.

Chairman SPECTER. Thank you very much, Senator Johnston.

Senator Bryan.

Senator BRYAN. Thank you very much, Mr. Chairman.

You know, notwithstanding our best of intentions, it seems to me that in terms of survivability, that Saddam Hussein is rapidly becoming the Fidel Castro of the region. In other words, Castro has survived nine Presidential Administrations. Is there any realistic likelihood, based upon any of the intelligence information that we have available to us, that he is likely to be displaced by any internal factors that are currently in evidence in Iraq or that you know of? I'm not asking you to disclose what those might be publicly, but if you can share a conclusion.

Director DEUTCH. Senator, there is an essential quality about Saddam Hussein that is different than other long lived totalitarian leaders, and that is that he is actively threatening his neighbors militarily through invasion. I mean this person is likely—would like to invade and take back Kuwait which he regards as a province of Iraq. So we have to remember this person is out to invade his neighbors and—

Senator BRYAN. Let me just say, Mr. Deutch, I certainly was not trying to imply any support or to indicate that he is some benign presence in the region. My question is focused upon your realistic assessment in terms of the intelligence data available to you, is there any reason for us to believe that he is in the near term of the foreseeable future to be toppled by any internal factions that might exist in Iraq?

Director DEUTCH. My answer to that would be nuanced, but I cannot tell you that I predict it in the near term. But I would have a more nuanced answer to that in a closed session.

Senator BRYAN. I believe it was Senator Cohen raised the question about the presence of additional American military forces in Kuwait and whether they may be at risk as a result of any domestic reaction to an American military presence, and I think your answer was essentially that you did not see that.

My question, in light of the hearing that we had yesterday in the Armed Services Committee, where I agreed with the conclusion that you and others have made, that there was no intelligence failure with respect to what happened at the Khobar Towers. It is my view, reinforced by the Downing report, that what we had was a command failure in the field. That is, that there was enough information, although not site specific, combined with the Riyadh terrorist attack the previous November, that should have alerted the military commanders in the field to take much stronger action to protect American military forces. My question, Mr. Deutch, is, are you satisfied that the framework that exists in Kuwait in terms of receiving the intelligence information that you make available to our American military commanders, is adequate from a structure to alert them to take whatever timely action any intelligence data you all may have that might suggest at some future point in time that there may be a problem that requires them to take more aggressive action?

Director DEUTCH. I'm absolutely, 100 percent with Bill Perry on this. We are going to make sure that every—and this is not since the Downing report, but this is since the event itself.

Senator BRYAN. Yes.

Director DEUTCH. And we have taken steps, seven precise steps to strength the capability of local military forces in the region on force protection and to make good use of whatever warning, whatever intelligence is present to protect US forces.

So the answer to your question is yes.

Senator BRYAN. I think that's very important, because it seems to me that with rather modest efforts—applying the mylar coating to the exterior glass surfaces, to reposition the fence, to move some of our personnel to the interior—that we could have perhaps averted all of the fatalities, certainly reduced the casualties substantially. And I think that structure is very important.

And I reiterate, although there have been some reports in the news in the aftermath of the Khobar Towers bombing that there may have been an intelligence failure, I don't think the record supports that position. I believe that the intelligence information was sufficient to have charged the commanders with notice.

Let me ask you a question, and maybe you can help us understand, or at least help me understand that. We talk about our concerns from a policy point of view of a vacuum being created in the north. Share with us from an intelligence perspective, assume hypothetically—and I acknowledge this is totally unlikely to occur—what if there were an independent Kurdistan that sometime in the future arose in the northern region? Is that contrary to our best interest? Why do we have this concern about some type of an independent or more autonomous presence of a Kurdish—if not a state at least a Kurdish regional presence?

Director DEUTCH. In order to form an independent Kurdistan, you would not only take territory from Iraq, you'd need to take ter-

ritory from Iran, Turkey and Syria to put together such a region. I think that everybody looks at the necessary political difficulties in accomplishing that, each one representing a very significant, different situation, is to say that it would create more uncertainty, more insecurity, especially with respect to Turkey—and well, all of those countries—that it looks like it's just better to try and make sure there is sensible autonomy and peace and protection for those people.

Senator BRYAN. Director, thank you very much.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you, Senator Bryan.

Senator Robb.

Senator ROBB. Thank you, Mr. Chairman.

Mr. Deutch, good to see you again.

Toward the end of your opening statement you made a statement, something to the effect that no stability will be achieved until the Saddam regime has been replaced. Would you expand just a bit on the consequences of a different regime? And specifically, if you will, address the regional balance that we so often refer to between Iran and Iraq in terms of what the role of Iraq has to be vis a vis Iran in your judgment to maintain the kind of regional stability that many of the people who concern themselves with that regime believe has to be maintained.

Director DEUTCH. Senator, I think we saw over a decade of where there was a balance between Iraq and Iran. I mean, there was, in fact a major war which Iraq did very well at in the—I guess the early '80s. My view is that the integrity of Iraq is important, for one of the reasons because it does form a military balance to Iran in the region. But the regime has to also pay attention to not threatening its southern neighbors. And also to pay some attention to the character of how they treat people, whether it's Kurds or others.

Senator ROBB. I'm not quarreling with that. Indeed, I agree with it entirely. What I was asking you to focus on the difference between a post-Saddam regime in Iraq in terms of the balance between the two, and what would happen, in effect, say if Saddam, for whatever reasons through whatever means were to be removed or were to relinquish power in whatever form, what is the essential difference in the dynamics of the region that take place that are not present with Saddam in power? In other words how much does his regime specifically mean to the balance, and what happens if he's not there, just with respect to the balance?

Director DEUTCH. I don't believe that the kind of regime that Saddam runs is essential to preserving that balance. You could have a very different kind of government, much more democratic and still maintain a defense and a military capability that would be able to balance Iran.

What we expect to have in a subsequent regime to Saddam Hussein in one that does not threaten his neighbors to the south; one that does not pursue weapons of mass destruction; one that does not go out and kill thousands of citizens; and has the benefit of exporting, I guess 2.5 million barrels of oil a day, which would allow him to improve his economic circumstances. That's what I think one is looking for in a subsequent regime.

Senator ROBB. Well, let me just ask you one question about Saddam himself. We all take turns speculating about what he'll do. And we normally get egg on our face if we go out on a limb. And we speculate about how long he'll last. And we tend to make mistakes, ultimately, in that kind of a judgment. What do you believe is the source of his staying power? Is it an appeal to nationalism? Is it tyranny? Is it the way that he plays off against the west? I mean, he's representative of a minority faction in Iraq. He's got a significant population as you've referred to—the Sunnis to the south and the Kurds to the north. How is it that he manages to survive the perils of Pauline repeatedly in what would appear to be a course fraught with too much peril for most other mortal human beings?

Director DEUTCH. Well, he maintains his internal control, Senator Robb, by perhaps one of the most ruthless and efficient regimes that I know about. He uses his own family, the Tikriti family to do it. And he does it by absolutely ruthless suppression, so that anyone who is ever suspected or known to have uttered a different word is executed, sometimes in the most brutal ways. So, this is a very, very efficient person with an internal—a very strong internal security service who has—takes—there's no atrocity that he won't commit to keep himself in power. And that's the way he does it.

Internationally, he has been only once threatened by a coalition. That was at the time of the Gulf War. It would have toppled him, as you know, if the war had gone on a little bit longer.

Senator ROBB. What about the effects of sanctions at this point on Saddam's regime and his ability to maintain that equilibrium of terror within his own country and the threat he poses to those outside his borders?

Director DEUTCH. I think the sanctions have clearly—I mean, as the beginning of my statement indicated—completely made the Iraqi people in the Iraqi country not be able to enjoy any improvements in their standard of living. I think it has a tremendous effect—

Senator ROBB. But with respect to Saddam's own hold on power?

Director DEUTCH. On dissident tribal groups, on hopefully over time, some of the leadership who is not terrified of being caught, that it will lead them to understand the importance of seeking a political change.

So, I do think that the sanctions have the effect inside of Iraq, pointing toward greater likelihood of his being replaced. They don't strengthen him in any way. By themselves they may not be sufficient, but they are very important.

Senator ROBB. Thank you. My time has expired.

Thank you, Mr. Chairman.

Director DEUTCH. Senator Robb, if I could only add one other thing?

Senator ROBB. Yes.

Director DEUTCH. If there were not sanctions and he was doing well economically, he would also find a way to improve his military circumstances, which would not be in our interests to the south.

Senator ROBB. Thank you.

Chairman SPECTER. Thank you, Senator Robb.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Director Deutch, I hope you'll forgive all of us here because there is a propensity to ask you questions that are outside of your immediate position since you've been in the other positions. And I have three questions to ask, two of which may fall into that category.

First of all, in response to your question—I believe it was from Senator Cohen when he asked the question, what do you think the chances are of Saddam Hussein invading Kuwait. You said, quote, "At present very low." Did you mean the chances are very low that he'd do it at present or at present it doesn't look like it will happen at sometime in the future.

Director DEUTCH. Senator Inhofe, he has shown in the past, as he did, I think, in October of '94 of moving two divisions down there, we keep track of that quite precisely. He has the capability of doing it at any time, so we do not see any indications today that he is moving towards the south. We have not of course seen it for some period of time, but tomorrow we could gain information to show he's moving there. So it's a question of his intentions. He's got the capability of doing it whenever he wants.

Senator INHOFE. Okay.

That leads me to the second question when you mention capability, Mr. Director. I don't remember the exact words, but I recall some time ago that Saddam had made a statement that if he had waited five years to make his invasion of Kuwait, he would have been in a better position. Whether he's talking about nuclear capability, conventional capability or missile technology, I'm not sure. But I would ask a two-part question. First of all, do you believe—how do you think his capability in terms of force strength and military capability is today relative to the time that he invaded Kuwait? And then secondly, the second part of that question would be how does that relate to our force strength, since we are now at about roughly 50 percent of where we had been in terms of Army divisions, in terms of Air Force wings. We are not as capable as we were in 1991. So, a two-part question.

Director DEUTCH. First of all, with respect to his military capability, it is significantly reduced, both in quality and quantity, compared to the posture he had in 1990, before DESERT SHIELD. I would say that as a rough—a very rough rule of thumb, less than half of his capability in terms of armored personnel carriers, tanks, artillery tubes, or aircraft even less than that. In readiness also, less. So I would say he is, while still a formidable regional power, it's significantly less than he had in 1990.

In contrast, I would say that the deployment of US forces—and here I'm again, I'm not quite the right person to answer this, but let me just say, I would just tell you—is incredibly much better postured in terms of the number of aircraft, deployed ships, prepositioned equipment, a whole series of measures to respond very, very quickly indeed.

So, the balance of power compared to 1990 in terms of today would be very much in terms of the coalition's favor as a military matter. In terms of response time, quality of weapons and the ability to bring on sophisticated intelligence support and accurate air

delivered munitions, it's thoroughly in the coalition's favor compared to 1990.

Senator INHOFE. Well, I understand that, in the balance of power. I guess what I'm—

Director DEUTCH. In the region. In the region.

Senator INHOFE. In the region. But if I remember correctly at the time—let's just take the Army divisions that we had available—we used 42 percent of our capacity in the Persian Gulf War. And in our reduced capability today that would equate to about 70 percent. And so, I guess what I'm getting at is—

Director DEUTCH. A complicated calculation. We had a very large deployment in 1990. As I said, his force structure is less than half what it was.

Senator INHOFE. Yes.

Director DEUTCH. The difference and mix of air and ground is entirely different. I'm not—this is a question for General Shalikashvili, but generally my impression would be we are in much, much stronger relative military shape than we were at that time. And by the way, we had not much trouble in dealing with the problem then.

Senator INHOFE. I suspect you answered my third question before I arrived. And if you have, I'll just get it out of the record. But the media has characterized the damage inflicted to Iraq all the way from a pin prick to some devastation. How would you—what percentage of the missiles do you believe reached their targets? And how would you assess and characterize the damage that was inflicted to Iraq on September 3 and September 4?

Director DEUTCH. The estimates of the actual damage is a battle damage assessment which is really a military function and I would defer entirely to the J-2 and to Shali on that matter.

But let me tell you where I think that we underestimate the effect and that is in the movement of this no-fly zone from 32 north to 33 north. That has significantly constrained and taken sovereignty away from Saddam Hussein. It has taken away some of his best training bases. It's told him he can't deploy aircraft down there. It has a significant effect on constraining him and influencing the way he sees himself being put more and more into a small box.

So, it's not only the direct military damage to which I would ask you to address those questions to the Chairman, but also the very, very stifling—from his perspective, significant action of moving that no-fly zone north.

Senator INHOFE. Thank you, Director.

Chairman SPECTER. Thank you, Senator Inhofe.

Senator DeWine.

Senator DEWINE. No questions, Mr. Chairman.

Chairman SPECTER. Senator Kerrey.

Vice Chairman KERREY. Thank you, Mr. Chairman.

Director Deutch, it seems to me that, first of all, that what we have is a serious conflict between the objective that the allies have all agreed to—the containment objective—and the removal objective that people have been talking about all the way back to 1991. I mean there's pretty, if you ask people in 1991, what's our objective, there was an awful lot of rhetoric and a lot of things being

said about the removal of Saddam Hussein, at that time, and continuing all the way up until present day. And my own view is that that discussion needs to be pulled into the public arena. I do think that we need to start talking about our allies, notwithstanding, some potential disagreement, amongst Members of Congress, about whether or not that's a worthy objective.

My own view is if the story's going to be told some day about the liberation of Iraq, about how people retreated inside of Iraq, and the people of the United States of America are either going to say, thank God, we stayed the course and helped produce that liberation or the story's going to be told that we just walked away from it, because we didn't want to do anything. That's my own view.

And secondly, I think there is likely to be an increased ramping up a ballistic capability and a threat from non-conventional weapons, particularly biological and chemical. So I think there's a reason for us not to do more than just contain.

But there's a conflict, and there's been a conflict since 668 authorized the follow-on operations, conflict between us and our allies about what that objective is. And unless and until we can get our allies, unless and until we decide if we're going to change—we may decide as a country that we're not going to—then it's very difficult, it seems to me to expect us to be successful in doing something for which we don't have any legal permission to do. And to be clear on this, it seems me that there has been substantial success on your part, and your predecessor's part as well, providing intelligence of all kinds, in order to accomplish the containment mission; that intelligence has enabled us to accomplish the containment mission, I think needs to be said up front, particularly since the purpose of this hearing is to evaluate intelligence's role in the Iraqi operation. That role has been substantial and has provided at key moments information to decision-makers, both President Clinton, President Bush, that enabled them to rally our allies to continue the considerable effort that we have in place.

But to be clear, we write laws here, and though there are some people still presuming that if anybody works for the CIA ignores a law, you obey the law. And the people that work for you obey the law or they pay the price. We have capacity to do that. And, I should say parenthetically, I do appreciate as well the willingness to take responsibility, demonstrated yesterday by Secretary Perry, coming up to the Hill, saying, you know, it's on my watch, I'm responsible for it. And that's also unique to our country.

I understand there's a great deal of confusion about how we ought to proceed from here on out in Iraq. But it does seem to me to be an odd situation. We have a law that basically says the United States American can kill every person in Iraq if we want to except Saddam Hussein, you know, and I think that needs to be part of our discussion, whether or not that law makes any sense. I mean, I'm not advocating it here at the moment, but there does seem to be a bit of a disconnect if we conclude that the removal of Saddam Hussein ought to be the open objective and we ought to try to rally our allies to that cause.

I mean, I do see a significant importance in doing that for lots of reasons. I mean, this whole region, beyond just the Middle East, the whole Caspian Sea region that's struggling to try to develop.

Afghanistan is still a substantial problem, Pakistan is still—and this whole problem in Iraq impinges, it seems to me, upon success in other areas. And though we may not like to be the strongest military, strongest democracy, strongest economy, we are, and I share what Senator Lugar said earlier about the need to make sure that we apportion the burden fairly amongst allies. But I say to you I think it's—it's going to be difficult for the Intelligence Community to accomplish its objective if we have a conflict in the objective, the open objective, between ourselves and our allies. And I think we unquestionably do when it comes to Iraq.

Senator INHOFE. What's the answer?

Vice Chairman KERREY. I'm done. No question.

Chairman SPECTER. Thank you, Senator Kerrey.

Director Deutch, picking up on Senator Cohen's ending comment about Secretary Perry's statement about the need for radical rethinking of force protection, and Senator Cohen was saying whether or not that is true, because we have known for a long time that terrorism is the warfare of choice for some at the present time, Secretary Perry's cover letter to the President of the Downing task force report referred to a 20,000 pound bomb, and there has been some comment that perhaps that size is mentioned because there could be no defense as to a 20,000 pound bomb. But that is at variance with what the Defense Department initially said a bomb of three to five thousand pounds, and what the Downing task force said a bomb of three to eight thousand, with a probability of its being a five thousand pound bomb.

Senator COHEN. If you would yield, Mr. Chairman. He also indicated yesterday that a 250 or 280 pound bomb would have caused substantial damage where it went off, so it was not necessarily the size that was determinative but the location of where it went.

Chairman SPECTER. Well, that is correct. There had been an assessment that there would have been quite a number of deaths if there had been a 250 pound bomb, the same size as in Riyadh on November 13th of last year because of the closeness of the building, which raises the issue of the fence. And let me just digress on that for a moment.

I visited Khobar Towers and the building 131 was less than 60 feet from the fence. And ranking Pentagon officials had been in the area, although they had not inspected Khobar Towers, which is a little surprising since Khobar Towers was one of the three primary targets which had been in the intelligence force reports. So that having the perimeter so close and knowing of the danger wouldn't have taken a bomb of enormous magnitude, as Senator Cohen is pointing out by his interjection, at that point.

But coming back to the size of the bomb, the 20,000 pound bomb might raise a suggestion that you can't defend at all, but that appears to be contradicted on all fronts by what DOD said earlier—the Department of Defense—three to five thousand pounds—by what the Downing Commission said—3,000 to 8,000 with the probability of its being 5,000.

Immediately after the Khobar Tower incident, Secretary Perry said that the bomb used at Khobar was ten times the bomb used in the Mideast at any time in the future, which is, simply stated, not factual since the bomb at Beirut on October 23rd, 1983, killing

241 Marines was 12,000 pounds as found by the Long Commission. And then Secretary Perry, when that was pointed out, said well, in Saudi Arabia, but you're in the same region, not quite the same neighborhood—internationally really the same neighborhood, so that there should be no surprise when you have a bomb in Saudi Arabia which is in the range of the bomb in Beirut, which was 12,000 pounds, although this one does not appear to have been that big.

Now, the Downing Commission found that there was no failure of intelligence. Secretary Perry had testified on July 9th that there was a failure of intelligence, but the finding of the Downing task force found that there is none. Now, if we are faced now with what Secretary Perry says is a, quote, "radical rethinking of force protection," what does that mean in terms of intelligence? What are we supposed to do now with the lesson of Dhahran that we shouldn't have done in 1983, 13 years ago, with the virtual identical lesson of Beirut?

Director DEUTCH. Mr. Chairman, let me first of all say that Bill Perry—and I feel quite confident of this—has not said that there was a failure in intelligence and does not believe that there was a failure of intelligence. I think he—

Chairman SPECTER. Well, I think that's what he did say on July 9th before the Senate Armed Services Committee.

Director DEUTCH. Let me say that my very clear understanding is that Bill Perry does not believe that there was a failure of intelligence.

Chairman SPECTER. Well, I don't know what he believes, but I know what he said.

Director DEUTCH. Well, if I may, what I might do is—and I don't mean to be too argumentative about it—why don't I try to get some—examine the statement you made and look at other statements.

But the reason I point to this is not only to—the important point here is that I believe that Bill Perry and I have the identical view of what the circumstances are on intelligence and the Khobar Towers event—that there was sample strategic intelligence, intelligence of strategic warning about the threat in Saudi Arabia and to the Khobar Towers. What was absent was a connection with the forces to take action and also tactical intelligence which told you that time and circumstances of attack, which is what we would always like to have.

But I do not believe that there was any difference between what Bill Perry or I or the Downing report says about intelligence.

Chairman SPECTER. Director Deutch, my time is up, but this is going to be the last round. I want to pursue that on one additional line. General Downing testified yesterday that the DOD must invest more in HUMINT, human intelligence, and counterintelligence, and that's a finding in the Downing Task Force Report, as well. Now, we have gone through a very extensive exercise on trying to reform the Intelligence Community following the incidents of Ames and other problems. And we have finally turned out an Intelligence Authorization Bill, which is a significant improvement, but not nearly far enough, in my view, on vesting authority in the Director of Central Intelligence to really being the central guy who

can rattle the cage and really put people on notice that there is a tremendous threat, like at Khobar Towers, which wasn't done, notwithstanding the Defense Intelligence Agency report eight days before on 17, June, which said there needed to be more done at Khobar Towers, with a big vibrant picture of all those towers with all those people living in one place.

Now, when the Downing task force says, DOD, Department of Defense needs to do more on HUMINT and counterintelligence, we still have this divided authority with 85 percent of the intelligence budget under the control of the Department of Defense, although everybody thinks that the Director of Central Intelligence is really in charge and is supposed to be doing the job, and the fingers are all pointed at you, Director, when there's an intelligence failure—which there wasn't here. But if there is one, but if the Department of Defense has all the money, what do we do next? Are we going to leave all this with the Department of Defense, where they have so many other things to do they can't possibly focus the kind of intelligence that you can as the Director of Central Intelligence? And if it's going to remain with the Department of Defense—regrettably as the reform measures will, even after this year's intensive effort—how do we get the Department of Defense to do their job that the Downing task force has called for, and do get more human intelligence and more counterintelligence?

If the secretary of defense needs to know the time, the date and the place—if you know all that it's not much of a problem. Have to be a lucky strike to know all that. But if that's what he wants before he calls it enough intelligence, what's he going to do next to do what the Downing task force calls for?

Director DEUTCH. Senator, I believe that the point made by the Downing task force, and the particular passage that, or the recommendation, that you are referring to is pointing out the need for local commanders, whether they're in Bosnia or Kuwait or in Saudi Arabia, to have some ability to do counterintelligence for their forces locally. Have liaison relationships with the surrounding authorities so that they know what the local threat is and what the local authorities believe. So both in terms of the kind of activities that was referred to there and the counterintelligence activities that were referred to there, I do believe that that is something which the military should do, because it is in my words, organic to the deployed forces.

I might also say that it should be coordinated with the chief of station—it should be coordinated with the chief of station, and in some sense there is a role to make sure that the Director knows the trade craft and other activities, the operations are carried out in an effective manner.

Where the urgent need is to attack terrorism world wide is at the strategic level, the capabilities, the intentions, the way these different terrorist groups operate, so that one is able to deter or interdict their efforts as a whole. And it is there where I think that the authority and the responsibility of the Director of Central Intelligence, the CIA, is so terribly vital. We have never said that we should run—and I don't think anybody's ever advocated—every force protection-related intelligence activity which is organic to deployed forces. I believe that that is a sensible thing for the Depart-

ment of Defense to do, although I want to tell you that we do have—the Director has a responsibility to make sure that it is done in a coordinated way with activities in the region and that it is effective.

Chairman SPECTER. Well, I thank you for your answer, although I'm not sure that I really understand it. If you've got to coordinate with the chief of station, the Director of Central Intelligence has the responsibility.

Director DEUTCH. The chief——

Chairman SPECTER. This is going to have to be revisited.

Director DEUTCH. Yes.

Chairman SPECTER. I think we're going to have to do a lot more. It is true that the Downing task force says, as you represent, Director Deutch, that it has to be done on a local level. But it's also a DOD responsibility to develop human intelligence and counter intelligence, and when it comes to the issue of coordination, unless you have a former Deputy Secretary of Defense, as you are, you have a unique opportunity for that. But I remain convinced that we need it under one hat and I think it ought to be your hat.

Senator Cohen.

Senator COHEN. Thank you, Mr. Chairman.

If I could just follow up on this request for better HUMINT. There has been no request for additional funding in the Fiscal '97 budget, so I have to come to several different assumptions. Number one, that the Administration is satisfied that there is adequate funding for human intelligence.

Number two, there has been perhaps a misallocation of the funding, of the levels of funding they currently have. But it seems to me that they can't suggest we need more HUMINT with the implication being let's have more money or let's have more personnel in order to get more human intelligence.

Secondly, I think it's highly unlikely given the region that we're talking about, that more human intelligence is going to give you tactical intelligence in the sense that Specter was talking about time, place, date. Saddam Hussein is not going to send a registered letter to the Secretary of Defense saying we're coming. And so the notion that somehow we have to rely upon tactical intelligence, that would have in fact helped prevent this, I think is not going to occur, it's very unlikely.

So, that's a matter we ought to explore, I think, with General Downing, Mr. Chairman. I cannot understand why he is not being allowed to testify in open session before this Committee. But if we have to have it in closed session, we shall do so in closed session.

I'd also like to follow up the question that—Senator Lugar is not here right now but I assume members of his staff may be, or at least it can be communicated to him. He raised an interesting question about isn't it ironic and the reaction of our allies where they in fact are far more reliant upon Mideastern oil than we are—Persian Gulf oil. As a matter of fact, it's even more ironic that China, which will eventually become a major consumer of energy, principally from the Persian Gulf region, is also supplying Silk-worms and submarines to Iran, holding out the potential for a conflict in that region and making the possibility it could be shut

down, shutting off that supply of energy, that they will then have to call upon sometime in the future.

But Senator Lugar raised the issue saying why don't we just let the alliance go it alone and let's see how they would handle it. I recall during the Persian Gulf debate on Desert Shield and Desert Storm the big slogan was "No Blood for Oil." But of course, that's precisely the decision that has been made over the years, hasn't it, that it is blood for oil. We are stationing our men and women in that region in order to protect oil supplies. We are putting their blood on the line in order to protect access to oil for ourselves and for our allies.

And what you have is a situation that domestic policy is actually driving our foreign policy. If we were to present a choice to the American people saying you don't like the prospect of having your sons and daughters put their lives on the line in that region, would you be willing to return to a conservation ethic for energy, for example? How about a 55 mile per hour speed limit? What about smaller cars? Would you consider a 50 cent gas tax, not a five cent gas tax, but how about a 50 cent gas tax. Would you be prepared to pay for increased prices from Mexico or Venezuela? Would you ever consider recreating the synfuels corporation in order to do synthetic fuels, Mr. Department of Energy Secretary. Or how about nuclear power as a substitute for oil and gas?

So these are options that we could, in fact, explore and put those to the American people saying are you prepared to make changes in your lifestyle or perhaps the sources of energy or, indeed, the conservation and reduction of our consumption.

The fact is—and I'm proposing this, I'm not asking it as a question, I'm making a statement—the fact is if we were to say let the allies handle it, number one, they don't have the military capability. Number two, if they had the military capability, they have never, to my knowledge, expressed an interest in exercising that military capability in that region. And in all likelihood they would probably cut a deal with whomever assumed power in the region for whatever price they could get, pay any price they could get for the energy itself.

And there's another little factor involved, it's called the State of Israel. I wonder what Israel's response would be if we say, we're out of here. We're letting the British, the Germans, the French, the Japanese, handle the supplies of energy coming through the Persian Gulf. I doubt very much whether Israel would sit back and just watch the diplomacy unfold under their leadership.

Mr. Chairman, a simple question, I guess. Are we better off today than we were four years ago? We're asking that domestically, politically. Is Saddam Hussein better off today than he was four weeks ago?

Director DEUTCH. Mr. Chairman, I want to—first of all, I need your protection from his attacks on energy.

But let me go back and—

Chairman SPECTER. As soon as I can find an attack, I'll be glad to give you protection. [General laughter.]

Director DEUTCH. Let me go back to the first point. I will come to the last point in a moment. In your own words, dollars don't do the thing in HUMINT. We do have a constant budget for all of our

HUMINT intelligence activities, as you know. The fraction which has been allocated to counter-terrorism is hugely up. I also want to tell you, and you know better than I, that we are in position where we are strengthening our HUMINT intelligence collection capability. I believe it's vital. I've worked very hard on it. And I believe that it's getting better. You can't measure it in dollars. And I would be delighted to provide you and other Members of the Committee with the evidence that we are doing a better job than 3 years ago and that we are allocating a bigger fraction because of the changed threat to counterterrorism, and that it's paying off. It's not dollars alone.

You're absolutely right about tactical intelligence. It would be wonderful to be able to have intelligence which could tell you the time, circumstances of a terrorist attack. But it is very difficult to do. We do do that from time to time. We have done that, but we can't count on it, and it's still more of a goal than a certainty. And I can't promise and no one can promise that.

Finally, is Saddam Hussein better off now than he was 4 years ago?

Senator COHEN. No, no, no. Four weeks ago.

Director DEUTCH. Four weeks ago?

Senator COHEN. Right.

Director DEUTCH. Yes.

Senator COHEN. He's better off than he was.

Director DEUTCH. In terms of his regional posture, he's better off than he was 6 weeks ago. That's why—

Senator COHEN. The reason I ask that question is because the President has claimed victory in terms of our action in that region, and I've been trying to assess in terms of our relative position, vis-a-vis Saddam Hussein, as to how we can claim such a victory. We can point to the south and say, yes, we've moved up our no-fly zone a degree in the south. We have, perhaps, inhibited his ability to move his armor aggressively to the south, into Kuwait, or possibly Saudi Arabia. But in terms of his position within Iraq itself, his relationship with his own people, the splintering of the alliance and the coalition to date, plus his consolidation of power in an area that he was precluded from as recently as 4 weeks ago, it would be hard to claim anything but a Pyrrhic victory in Iraq. And I am glad to see that you agree with that assessment.

Director DEUTCH. I certainly don't agree with the way you stated it, but let me say why is he stronger today than he was 6 weeks ago. In part, it's because of a change in Turkish policy, which I believe they may well rethink shortly when they see what the consequences have been. In part, it has been the continual feuding between the Kurdish people. In part, it has been a willingness among our European allies with a containment strategy. Those are all the reasons that have pointed to it. But I think that it is not possible to argue that he is not stronger today than he was 6 weeks ago. And I think that's very bad.

Chairman SPECTER. Director Deutch, last question.

Senator DeWine, would you like to go on?

Last question. When Senator Cohen asked you is Saddam Hussein stronger today than he was 4 years ago—

Senator COHEN. No, 4 weeks ago.

Chairman SPECTER. I know, I know.

Senator COHEN. I asked 4 weeks ago.

Chairman SPECTER. When Senator Cohen asked you 4 weeks ago, you thought he said 4 years ago, and you started to pause on as you rephrased what you thought his question was at 4 years ago, and you were pausing then when he clarified it or corrected and specified it at 4 weeks, you were very snappy in saying yes, he's stronger than he was 4 weeks ago, or 6, as you later said.

But let me go back to the question of 4 years ago, on the generalized context of is he getting stronger? It is amazing, in a sense, that we have the ban on purchases of oil, and we have a lot of constraints on Saddam Hussein, but he's able to muster quite a military presence and quite a military force. Is Saddam Hussein growing stronger? We had this question raised before in our meeting with the President 2 days ago, and we had an answer from the Secretary of Defense, or the Chairman of the Joint Chiefs of Staff about strength. Tell us what your evaluation is as to his strength now, compared to, say, 1991, when the war ended. And is he getting stronger? And if so, how?

Director DEUTCH. The answer, the response I was making to Senator Cohen was in terms of his external political status in the region, vis-a-vis the coalition. I would say internally his capabilities are less than they were 4 years ago. His military capabilities are less.

Chairman SPECTER. Is he getting weaker?

Director DEUTCH. Certainly, his capabilities are getting weaker.

Chairman SPECTER. Military capabilities?

Director DEUTCH. Yes.

Chairman SPECTER. But he still has an air force, he still has substantial ground forces.

Director DEUTCH. Yes, but highly constrained.

But my answer would be on capabilities. Over the long-term, he's gotten significantly weaker. In the last 6 weeks, he has gotten stronger politically in the region.

Chairman SPECTER. Well, thank you very much, Director Deutch.

Senator COHEN. Mr. Chairman.

Chairman SPECTER. I want to make one final comment.

Senator COHEN. This may be my final opportunity to question the Director, certainly in public, and perhaps in private as well. We've heard testimony that there was not an intelligence failure, as far as Khobar Towers were concerned. And there was no intelligence, I guess, tactical failure or deficiency as such.

But I'd like to talk about the situation with the Kurds. Was there an intelligence failure as far as anticipating the breakup or the split between Barzani and Talabani? We, after all, have had a good deal of involvement with Operation Provide Comfort. We know about the tensions between the warring factions with the Kurds. We know that there was a commission set up to be funded by the Administration as far as trying to hold them together in some kind of an amicable situation that would have cost several million dollars that was not forthcoming. Was there an intelligence failure on our part to fail to fund programs that would at least give them a forum to debate their issues, their conflicts, and to allow them to

fall apart in the sense that Talabani turns to the Iranians, and we have Barzani turning to Saddam Hussein?

Director DEUTCH. There was no intelligence failure in the north, either.

Senator COHEN. In other words, it was not preventable?

Director DEUTCH. Between the two parties?

Senator COHEN. It was not—the United States could not have taken any action that would have prevented the split that allowed one set of Kurds to go to the Iranians and the other set to go to Saddam Hussein?

Director DEUTCH. I think that's an unanswerable question, but in the short run, the answer would have been tactically, in the last few months, especially after the Iranians indicated a willingness to come in and support the PUK.

Senator COHEN. What I'm asking, before that, did we have intelligence indicating that the tensions were developing to the point—

Director DEUTCH. Yes.

Senator COHEN [continuing]. Where there was going to be a resort to outside sources for funding, as opposed to holding the unit together?

Director DEUTCH. Well, some of these things, I think it's difficult to pursue here with clarity. But, roughly speaking, yes, sir. And I cannot believe that this is the last time that you will question me.

Senator COHEN. In public, I said.

Director DEUTCH. Right.

Senator COHEN. This may be our last—

Director DEUTCH. That's what I meant, too.

Chairman SPECTER. Director Deutch, thank you very much for coming in today, and for your testimony. The Committee is now going to go into closed session.

I agree with what Senator Cohen said, that it is surprising that we cannot have General Downing in open session. Since my opening statement on the comments, General Downing arrived at about 10:15, and I had a brief conversation with him, and I asked him his specific situation, and he says that Dr. Perry owns the Downing Commission report. That General Downing is a paid employee of the Department of Defense and has to respond to their instructions. He said he'll be a private citizen in a week or two, and he may return in an open session before the Intelligence Committee at that time.

That concludes our hearing. We now go into closed session.

Director DEUTCH. Thank you, Mr. Chairman.

Chairman SPECTER. Thank you.

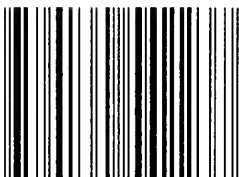
[Thereupon, at 11:11 a.m., the Hearing was concluded.]

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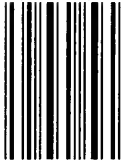


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